

1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Mortgage Broker License of:

No. 10F-BD154-SBD

3 **WIN FINANCIAL CORP. and RAY L.**
4 **SCHIAVONE, CEO**
1750 Howe Ave., Suite 600
Sacramento, CA 95825

**ORDER OF SUMMARY SUSPENSION
AND NOTICE OF OPPORTUNITY FOR
HEARING**

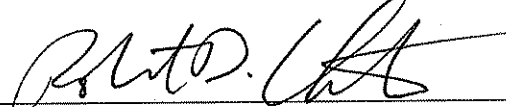
5
6 Respondents.

7 The Arizona Department of Financial Institutions (the "Department") hereby finds that Win
8 Financial Corp. and Ray L. Schiavone, CEO, ("Respondents") have violated the provisions of the
9 Arizona Revised Statutes ("A.R.S."), Title 6 as set forth below and finds that the public health,
10 safety and welfare require emergency action pursuant to A.R.S. §§ 6-905 and 41-1092.11(B).

11 **THEREFORE, IT IS ORDERED** to summarily suspend the Arizona mortgage broker
12 license held by Respondents. **This suspension is effective immediately.**

13 EFFECTIVE this 12th day of May, 2010.

14 Lauren W. Kingry
Superintendent of Financial Institutions

15
16 By 
17 Robert D. Charlton
Assistant Superintendent of Financial Institutions

18 PLEASE TAKE NOTICE that, pursuant to Titles 6 and 41 of the Arizona Revised Statutes
19 and Title 20, Chapter 4 of the Arizona Administrative Code ("A.A.C."), Respondents are hereby
20 notified that they are entitled to a hearing to contest the allegations set forth in this Order. The
21 Request for Hearing shall be filed with the Arizona Department of Financial Institutions (the
22 "Department") pursuant to A.R.S. § 6-137(D) within **thirty (30) days** of service of this Order and
23 shall identify with specificity the action or order for which review is sought in accordance with
24 A.R.S. § 41-1092.03(B).

25 Pursuant to A.R.S. §§ 41-1092.01(D) and 41-1092.03(B), any person may appear on his or
26

1 her own behalf or by counsel. If Respondents is represented by counsel, the information required by
2 A.R.S. § 41-1092.03(B) shall be included in the Request for Hearing. Upon the filing of a Request
3 for Hearing, the Department shall issue a Notice of Hearing scheduling the matter for hearing in
4 accordance with A.R.S. § 41-1092.05. **Persons with disabilities may request reasonable**
5 **accommodations such as interpreters, alternative formats, or assistance with physical**
6 **accessibility.** Requests for special accommodations must be made as early as possible to allow time
7 to arrange the accommodations. If accommodations are required, call the Office of Administrative
8 Hearings at (602) 542-9826.

9 Respondents have the right to request an Informal Settlement Conference, pursuant to A.R.S.
10 § 41-1092.06, by filing a written request no later than **twenty (20) days** before the scheduled
11 hearing. The conference will be held within **fifteen (15) days** after receipt of your request. If an
12 Informal Settlement Conference is requested, a person with the authority to act on behalf of the
13 Department will be present (the "Department Representative"). Please note that in requesting an
14 Informal Settlement Conference, Respondents waive any right to object to the participation of the
15 Department Representative in the final administrative decision of this matter, if it is not settled. In
16 addition, any written or oral statement made by Respondents at such informal settlement conference,
17 including written documentation created or expressed solely for purposes of settlement negotiations,
18 are inadmissible in any subsequent administrative hearing. (See A.R.S. § 41-1092.06 for rules
19 regarding informal settlement conferences.) Conversely, any written or oral statement made by
20 Respondents outside an Informal Settlement Conference is not barred from being admitted by the
21 Department in any subsequent hearing.

22 If Respondents do not request a hearing, this Order shall become final. If Respondents
23 request a hearing, the purpose of the hearing shall be to determine if grounds exist for: (1) the
24 issuance of an order pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the
25 violative conduct and to take the appropriate affirmative actions, within a reasonable period of time
26 prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts,

1 practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-
2 132; (3) the suspension or revocation of Respondent's license pursuant to A.R.S. § 6-905; (4) an
3 order to pay restitution of any fees earned on loans made in violation of A.R.S. §§ 6-901, *et seq.*,
4 pursuant to A.R.S. §§ 6-131(A)(3) and 6-137; and (5) an order or any other remedy necessary or
5 proper for the enforcement of statutes and rules regulating mortgage brokers pursuant to A.R.S. §§
6 6-123 and 6-131.

7 FINDINGS

8 1. Respondent Win Financial Corp. is an California Corporation authorized to transact
9 business in Arizona as a mortgage broker, license number MB 0910205, within the meaning of
10 A.R.S. §§ 6-901, *et seq.* The nature of Win Financial Corp.'s business is that of making,
11 negotiating, or offering to make or negotiate loans secured by Arizona real property, within the
12 meaning of A.R.S. § 6-901(11).

13 2. Pursuant to A.R.S. § 6-903(J), Respondents are required to have a surety bond in the
14 amount set forth in A.R.S. § 6-903(K), or an alternative as set forth in A.R.S. § 6-903(M).

15 3. On March 10, 2010, the Department received notification from Platte River Insurance
16 Company stating that Win Financial Corp.'s surety bond, number 41144623 in the amount of
17 \$15,000.00, was to be cancelled effective April 12, 2010.

18 4. On April 27, 2010, the Department sent an email to Respondents, to the email address
19 on record with the Department, informing them of the bond cancellation.

20 5. On March 11, 2010, the Department sent notification regarding the bond cancellation
21 to Win Financial Corp. via the Nationwide Mortgage License System.

22 6. Respondents failed to provide documentation regarding the reinstatement of their
23 bond or documentation of a new surety bond.

24 7. Respondents do not have the required surety bond in order to conduct business as a
25 mortgage broker.

26 8. The conduct described above constitutes an immediate threat to the public health,

1 safety, and welfare warranting immediate suspension of Respondent's mortgage broker license.

2 9. The conduct described above constitutes grounds for the suspension of Respondent's
3 mortgage broker license.

4 LAW

5 1. Pursuant to A.R.S. Title 6, Chapter 9, the Superintendent has the authority and duty to
6 regulate all persons engaged in the mortgage broker business and with the enforcement of statutes,
7 rules, and regulations relating to mortgage brokers.

8 2. By the conduct set forth in the Findings, Respondents have failed to maintain the
9 surety bond required by A.R.S § 6-903(J).

10 3. Pursuant to A.R.S. §§ 6-905 and 41-1092.11(B), the conduct described above
11 constitutes an immediate threat to the public health, safety and welfare warranting immediate
12 suspension of Respondent's mortgage broker license.

13 4. Respondents have not conducted business in accordance with the law and have
14 violated Title 6, Chapter 9, which constitutes grounds for the suspension or revocation of
15 Respondent's license pursuant to A.R.S. § 6-905(A)(3).


16 5. The violations, set forth above, constitute grounds for the pursuit of any other remedy
17 necessary or proper for the enforcement of statutes and rules regulating mortgage brokers in Arizona
18 pursuant to A.R.S. §§ 6-123 and 6-131.

19 6. Pursuant to A.R.S. § 6-132, Respondent's violations of the aforementioned statutes
20 are grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation
21 for each day.

22 WHEREFORE, if Respondents do not request a hearing to contest the above Findings or
23 produce evidence of a valid surety bond, Respondent's license shall remain suspended unless and
24 until reinstated or until said license expires by operation of law.

1 DATED this 12th day of May, 2010.

2 Lauren W. Kingry
3 Superintendent of Financial Institutions

4 By 
5 Robert D. Charlton
Assistant Superintendent of Financial Institutions

6 ORIGINAL of the foregoing filed this 12th
7 day of May, 2010, in the office of:

8 Lauren W. Kingry
9 Superintendent of Financial Institutions
Arizona Department of Financial Institutions
ATTN: Susan Longo
10 2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

11 COPY mailed/delivered same date to:

12 Craig A. Raby
13 Assistant Attorney General
Attorney General's Office
14 1275 West Washington
Phoenix, AZ 85007

15
16 Richard Fergus, Licensing Division Manager
Robert D. Charlton, Assistant Superintendent
17 Arizona Department of Financial Institutions
2910 N. 44th Street, Suite 310
18 Phoenix, AZ 85018

19 AND COPY MAILED SAME DATE, by
20 Certified Mail, Return Receipt Requested to:

21 Win Financial Corp.
Attention: Ray L. Schiavone, CEO
1750 Howe Ave., Suite 600
22 Sacramento, CA 95825
Respondent

23 Business Filing Incorporated, Statutory Agent
24 Win Financial Corp.
2394 E. Camelback Rd.
25 Phoenix, AZ 85016

26 By: 